20450-1

The Aluminum Situation

ECONOMICS AND STATISTICS — APRIL 1990

INDUSTRY SHIPMENTS DROP 5.6 PERCENT FROM 1989

Industry net shipments for the first two months of 1990, totaling 2,464 million pounds, decreased 5.6 percent from 1989 shipments of 2,611 million pounds.

Domestic shipments for two months of 1990, totaling 1,976 million pounds, were down 13.3 percent from the previous year total of 2,280 million pounds.

U.S. exports of aluminum ingot and mill products continue to be strong totaling 488 million pounds during the first two months, increased 47.7 percent from the 1989 total of 331 million pounds.

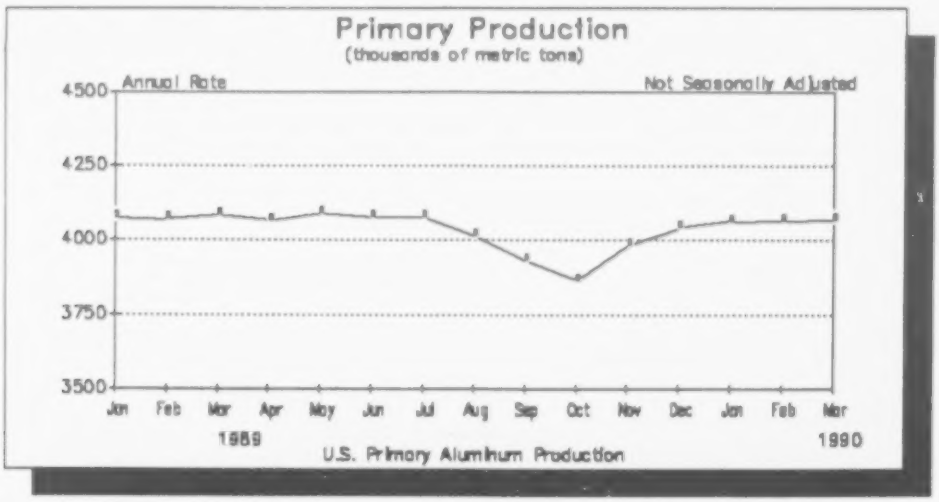
THRU FEBRUARY 1990

	1990 2 Mos.	1989 2 Mos.	% Change
Mill Products	2,024	2,105	-3.9
Ingot	441	506	-12.9
Total	2,464	2,611	-5.6
Less Exports	488	331	47.7
Domestic Total	1,976	2,280	-13.3

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

PRIMARY PRODUCTION DAILY RATE ESTIMATED AT 11,143 METRIC TONS

U.S. primary aluminum production averaged an estimated 11,143 metric tons daily during March 1990. This compares with an average of 11,185 metric tons a day in March 1989 and 11,135 metric tons a day in February 1990. The annual rate of production in March 1990 was 4,067,077 metric tons compared with 4,082,690 metric tons in March 1989 and 4,064,132 metric tons in February 1990. Estimated production in March 1990 was 345,423 metric tons.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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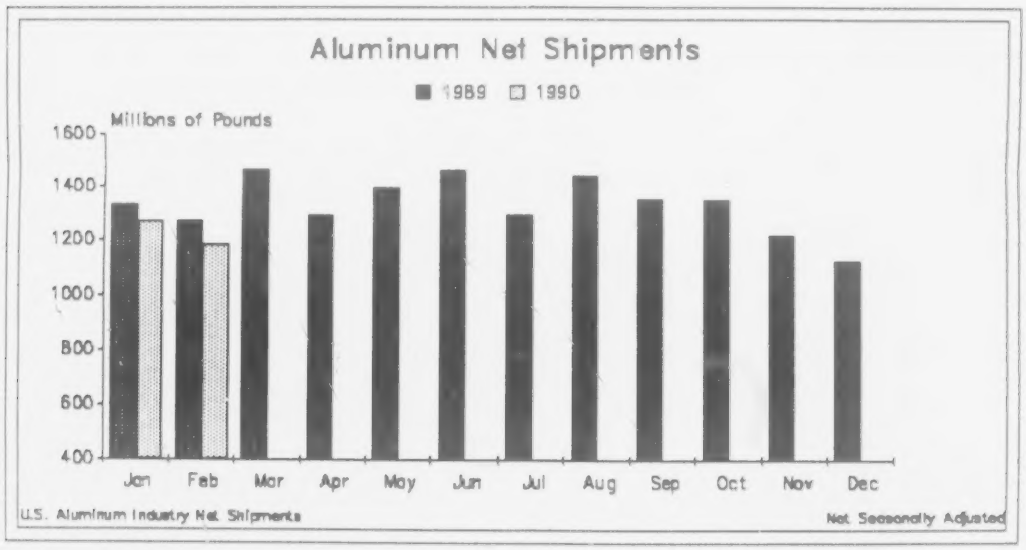
TOTAL NET SHIPMENTS DOWN 5.6 PERCENT FROM 1989

Industry net shipments for the first two months of 1990, totaling 2,464 million pounds, decreased 5.6 percent from 1989 shipments of 2,611 million pounds. Domestic shipments for two months of 1990, totaling 1,976 million pounds, were down 13.3 percent from the previous year total of 2,280 million pounds. U.S. exports totaled 488 million pounds during the first two months, increasing 47.7 percent from the 1989 total of 331 million pounds.

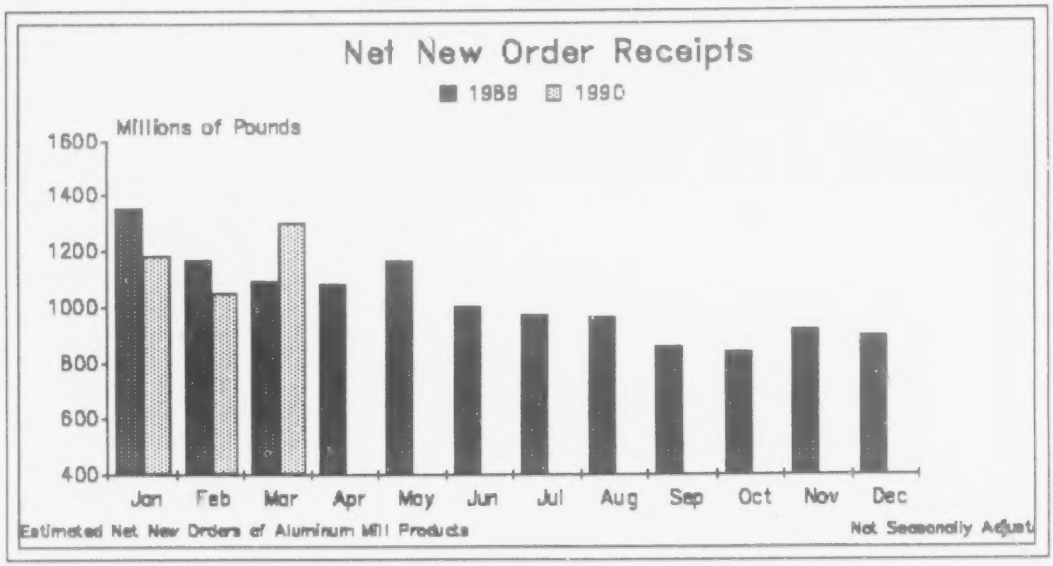


NET SHIPMENTS (Millions of Pounds)	1990 February	1989 February	1990 2 Mos.	1989 2 Mos.	% Change 1990 vs 1989
Sheet	539.1	586.3	1,116.7	1,149.6	-2.9
Plate	20.2	26.7	41.4	52.5	-21.2
Foil	75.8	73.1	149.0	151.2	-1.4
Rod,Bar & Wire	24.7	25.0	50.8	54.4	-6.6
Elec. Conductor	46.6	50.3	92.9	111.5	-16.7
Extruded Shapes,Tube	206.9	214.8	424.5	432.7	-1.9
Powder & Paste	6.7	6.3	12.9	13.5	-4.7
Forgings & Impacts	12.0	13.9	25.1	27.2	-7.5
Net Imports of Mill Products (Total) (a)	49.4	40.9	110.5	112.3	-1.5
Total Mill Products	981.4	1,037.4	2,023.9	2,104.9	-3.9
Ingot	207.7	236.0	440.6	505.8	-12.9
TOTAL INDUSTRY SHIPMENTS	1,189.2	1,273.3	2,464.4	2,610.8	-5.6
Exports	224.9	179.8	488.4	330.6	47.7
TOTAL DOMESTIC SHIPMENTS	964.3	1,093.6	1,976.0	2,280.2	-13.3

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cummulative data includes revisions for previous periods
(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 2.3 PERCENT

Estimated net new order receipts of aluminum mill products for the first three months of 1990, totaling 3,535 million pounds, declined 2.3 percent from the three month 1989 total of 3,617 million pounds. Net new order receipts for March 1990 totaled 1,302 million pounds, up 23.9 percent from February 1990.



ORDER RECEIPTS (Millions of Pounds)	1990 March	1989 March	1990 3 Mos.	1989 3 Mos.	% Change 1990 vs 1989
Sheet & Plate, Other	425.7	410.9	1,161.1	1,329.3	-12.7
Can Stock (a)	429.8	264.6	1,109.9	965.9	14.9
Foil	93.3	84.8	292.0	256.9	13.7
Bar, Rod & Wire	61.9	39.2	153.4	114.9	33.5
Electrical Conductor	41.9	69.9	123.7	226.4	-45.4
Extruded Shapes & Tube	225.6	202.8	628.2	657.9	-4.5
Powder & Paste	9.6	10.7	31.6	27.4	15.3
Forgings & Impacts	14.0	10.3	34.6	37.8	-8.5
Total Mill Products	1,301.8	1,093.2	3,534.5	3,616.5	-2.3

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES UP 101 MILLION POUNDS

Producer inventories increased in February 1990 to a reported total of 4,132 million pounds. This represents a 101 million pound increase from the January level of 4,031 million pounds.

Month-End Aluminum Producer Inventories
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
December	4,043r	1,402r	661	1,980
January	4,031r	1,351r	643r	2,037r
February	4,132	1,460	703	1,969

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 33.0 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of February 28, 1990 was 33.0, down 2.1 percent from inventories reported at the end of January.

Month-End Aluminum Customer Inventories
(Average Number of Days)

December	34.2
January	33.7
February	33.0

Source: Aluminum Association - Customer Inventory Position Survey

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U.S. IMPORTS & EXPORTS (Millions of Pounds)		1990 February	1989 February	1990* 2 Mos.	1989 2 Mos.	% Change 1990 vs 1989
Imports	Mill Products	88.4	66.1	176.4	159.9	10.3
	Ingot	161.9	173.8	348.0	393.1	-11.5
	Total	250.3	239.8	524.3	553.0	-5.2
	Scrap (+ dross)	54.1	36.1	94.3	76.6	23.1
	Grand Total	304.4	276.0	618.6	629.6	-1.7
Exports	Mill Products	80.9	87.2	169.9	160.8	5.6
	Ingot	144.0	92.6	318.5	169.7	87.6
	Total	224.9	179.8	488.4	330.6	47.7
	Scrap	101.1	119.7	206.1	225.9	-8.8
	Grand Total	326.0	299.5	694.5	556.4	24.8
Net Imports		-21.6	-23.5	-75.8	73.1	-203.7

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989